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Before the Arizona Corporation Commission

Andy Tobin - Chairman Designate
Bob Stump - Commissioner
Bob Burns - Commissioner
Doug Little - Commissioner
Tom Forese - Commissioner

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In the matter of Epcor Water Arizona, Inc. of) Docket Nos SW-01303A-09-0343
a hearing on rate consolidation/deconsolidation) W-01303A-09-0343
proposals for possible rate changes for utility)
service in all of its Arizona wastewater districts)

Please will the appropriate people answer my questions that follow separately.

Respectfully submitted on February 22, 2016.

Frederick G. Botha

Arizona Corporation Commission

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Summary of events since November, 2015.

On November 10, 2015, I asked to meet Epcor to discuss information that I required as an intervenor and consumer in the consolidation/deconsolidation data to be provided by Epcor by April 26, 2016.

Epcor responded that such a meeting would not produce any new information and that they were already working with Staff and RUCO to provide many of the supporting schedules. I reminded Epcor that consumers' information needs were just as important as those of Staff and RUCO and contacted Ms. Connie Walzak at the ACC, who assured me that Staff were not working with Epcor on any such schedules, in spite of Epcor's insistence that they were.

On December 14, 2015, I requested the judge to hold a meeting for me to question Epcor, Staff and RUCO about the work done on the schedules to ensure that the information to be provided by Epcor by April 26, 2016, meets consumers' needs as well, but he declined to hold such a meeting.

The purpose of this meeting was also to minimise any further delays caused by Epcor not providing sufficient information to answer crucial questions on consolidation and deconsolidation. Accordingly it seems the judge does not anticipate any delays or does not consider them significant.

Subsequently I have been informed that Staff and RUCO did not hold any meetings with Epcor to specifically discuss any schedules and that this would be premature before April 26, 2016.

On January 11, 2016, I officially requested Staff, RUCO and Epcor to answer questions on the schedules and to highlight several aspects of the information required for April 26, 2016.

To date none of my questions has been answered in writing by Staff, RUCO or Epcor.

As a result of the publicity at Susan Bitter Smith's resignation from the ACC, I also asked if Board Members would disclose any financial payments made to them by outside organisations.

In a recent PBS TV interview with Ted Simons on the program Arizona Horizons, the Chairman Designate of the ACC, Andy Tobin, refused several times to support such disclosures, citing his experiences at losing a recent election and working with the insurance industry.

In another similar interview with Ted Simons, Tom Forese, a new member to the ACC Board, also adamantly refused to support such disclosures, although he is likely to be aware of the laws and penalties against foreign based organisations contributing to political campaigns and of the efforts of several prominent citizens to have the issue of 'dark money' placed on an upcoming ballot?

Despite several requests, RUCO will not provide guidelines to me on how they evaluate increases in rates until after Epcor have presented their data.

Comments

Why would Commissioners not want to protect themselves and consumers from the dangers of not fully disclosing financial payments to them?

What do intervenors have to do to ensure their requests for information are answered when they are asked and not ignored?

Are these the type and level of responses that consumers can expect from judges and other principal participants at hearings at the Arizona Corporation Commission?

How can consumers expect to be treated with any equity at all by the ACC against this background?

Is this the way the system should work and consumers should just be grateful for it, even if it does not meet their needs and requests?

Or is this the way the system should not work but unfortunately there is nothing that consumers can do about it?

How should the system work? As a system where law is seen to prevail or where some participants can do exactly as they like, if they are powerful enough and can get away with it?

Is this the way such a hearing is intended to be conducted?

Especially if consumers are paying 300 - 400% more for their water and wastewater than their neighbors in adjacent districts?

Especially if consumers had to petition the ACC to address these large discrepancies, when the ACC, Residential Utility Consumer Office (RUCO) and Epcor, the utility supplier, did nothing to address these gross inequities?

Especially if I can show at the start of the next session of the hearing how the structure of the accounts and totals for Epcor's Oracle general ledger/cost accounting system could have been and can still be set up within 10 - 15 minutes at anytime.

Especially if Arizona American Water and Epcor both could have used such structures to keep their cost information permanently up-to-date, so that information would be available at anytime for Staff, RUCO and consumers without the long, expensive delays of data requests experienced currently.

13 copies to docket control and circulated to the following:

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